whose powers of imprisonment are smaller than those of the Sessions Court where they would ordinarily be tried."

The motion that the Bill be read in Council was then put to the House and carried.

The Secretary then read the title of the Bill.

The hon. Mr. A. R. KNAPP :—"I now move, Sir, that the Bill be not referred to a Select Committee."

The hon. Mr. K. SRINIVASA AYYANGAR :—"I second it."

The motion that the Bill be not referred to a Select Committee was put to the House and declared carried.

The hon. Mr. A. R. KNAPP :—"I now request you, Sir, to suspend the operation of Standing Order No. 39."

The hon. the PRESIDENT :—"I hereby suspend the operation of Standing Order No. 39."

The hon. Mr. A. R. KNAPP :—"I beg to move, Sir, that the Bill be taken into consideration at once"

The hon. Mr. K. SRINIVASA AYYANGAR :—"I second the motion."

The motion that the Bill be taken into consideration was then put and carried.

The hon. Mr. A. R. KNAPP :—"I now move, Sir, that the Bill be passed into law."

The hon. Mr. K. SRINIVASA AYYANGAR :—"I second the motion."

Diwan Bahadur M. KRISHNAN NAYAR :—"Sir, may I now move for a slight verbal alteration or can I have another occasion to do it when considering the Bill clause by clause ?"

The hon. the PRESIDENT :—"The motion before the House now is that the Bill be passed into law. I think that the hon. Member should have risen a little earlier; but if his amendment is of a serious nature, of course it is open to the hon. Member to object to the Bill being passed into law. Then if the House agrees with him, the Government will bring forward another Bill."

Diwan Bahadur M. KRISHNAN NAYAR :—"Certainly my amendment is not of such a serious nature."

The motion that the Bill be passed into law was then put to the House and carried.

(4)

A BILL TO REGULATE STATE AID TO INDUSTRIES, 1922.

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"Mr. President, I beg to present the report * of the Select Committee on the Bill to regulate State Aid to Industries, 1922, and to move that the Bill as amended by the committee be taken into consideration. The report of the committee is before the House and the Bill itself is reprinted, such portions as have been amended having been printed in italics to draw prominent attention to the changes that were made in the Select Committee. The report of the Select

* Vide Appendix B on page 1023 infra.

19th December 1922] [Mr. K. Venkatareddi Nayudu]

Committee also gives the reasons which induced the committee to make the changes which the Council now finds as amended. I may at once mention, Sir, that the criticisms raised in this House on the first reading of the Bill have been given due consideration by the Select Committee and the present Bill before the House is unanimously accepted by the committee as would appear from the eighteen signatures on the report. I do not wish to take up the time of the House and I therefore propose that the Bill as amended by the committee be taken into consideration now."

The hon. Rao Bahadur A. P. Patro :—" I second the motion."

The motion was put to the House and declared carried.

The hon. Rai Bahadur K. Venkatareddi Nayudu :—" Sir, I beg to move that the figure '1922' be added at the end of the wording of clause 1, sub-clause (1). That was omitted by mistake."

The hon Mr. K. Srinivasa Ayyangar :—" I second it."

The motion was put and carried.

Clause 2.

Rao Bahadur C. V. S. Narasimha Raju :—" Sir, I beg to move the following amendment:—

1. *For clause 2, substitute the following :—*

Director of Industries includes any officer appointed by the Local Government to perform all or any of the functions of the Director of Industries under this Act.

" Sir, this is more or less a verbal amendment. It is in the form of a definition and that is generally adopted in other Bills. Reference may, if necessary, be made to the Agriculturists' Loans Act, where the Collector is defined in almost the same words as we find in the present amendment. I think it will be more convenient if we follow that procedure hitherto adopted in the matter of legislation and put 'the other officers' who are asked to perform the functions of the Director of Industries in the form of a definition. That is why I have given notice of this amendment."

Mr. M. Suryanarayana seconded the amendment.

The hon. Rai Bahadur K. Venkatareddi Nayudu :—" I am sorry, Sir, I am not able to accept the amendment. It is not that there is any difference of opinion between me and the hon. mover with regard to this matter. But this question was considered by the Government at an early stage, and we deliberately omitted anything like a definition in the Act. We wanted to empower the Government to make appointments and that is why the clause runs as: 'the Government may appoint,' etc. It would be noticed that whereas the amendment would only include officers appointed by the Local Government to perform these functions, the clause as it stands in the Bill and as amended by the Select Committee, empowers the Government to appoint persons other than officials, so that non-officials too would be appointed. Now that I have shown that there is not real difference between the amendment and the clause as it stands, I hope the mover would withdraw the amendment."

The amendment was by leave withdrawn.

[19th December 1922

The following amendment standing in the name of Mr. Arpudaswami Udayar was not moved as the member was absent from his place :—

2. *After the word ' person ' insert the words ' duly qualified '*—

Clause 2 was put, passed and added to the Bill.

Clause 3.

Rao Bahadur K. Gopalakrishnayya :—" Sir, I beg to move the following amendment :—

3. *In paragraph* (*a*) *omit the words ' not less than ten and not more than.'*

" Sir, the clause as it stands at present provides for a maximum of 12 members and for a minimum of 10 members. I propose that the board should always consist of 12 members. The object which I have in view consequential upon this amendment is the representation of mufassal interests. It would appear from sub-clause (*b*) that one member is to be elected by the members for the time being of the Madras Chamber of Commerce, one by the Southern India Chamber of Commerce, one by the Madras Trades Association and two by the Members of the Legislative Council. This brings the number of members to five. Then the Director of Industries and the Secretary to Government in the Finance Department are ex officio members. That would make the number of members seven. Then in subclause (2) you have provided a seat for banking interests if such interests are not already represented and the Chairman will have to be nominated. That would bring the whole number of members to nine; so that there would be left only one member to make up the minimum. It is only with the object of providing for mufassal interests that I move the deletion of the words : ' not less than ten and not more than.' "

Mr. M. Narayanaswami Reddi :—" I second the amendment."

The hon. Rai Bahadur K. Venkatareddi Nayudu :—" Sir, on the question of mufassal members, I wish to make my reply in the proper place, but so far as this amendment is concerned, I am not able to accept it for these reasons. It is usual, Sir, in appointing committees like these to fix the number constituting such committees somewhere between nine and twelve or nine and fourteen. We had followed the Port Trust Act in this respect. The reason is obvious. If there is a statutory obligation to keep the board always at twelve as it must be when we say it will be twelve, many practical difficulties would arise. Suppose, for instance, a member dies or resigns, the committee cannot meet until that place is filled up; because the committee must necessarily be composed of twelve members always. As the hon. Member has pointed out, most of the seats have already been booked, if I may use that expression with your permission, Sir, and there will be only a few other seats available for nomination by Government. Also from the notice of amendments given to the House it will be observed that amendments representing various interests are given notice of. It would not be possible to give representation to all the interests except perhaps when casualties occur. Other difficulties also would come in the way if the number is fixed at twelve. As I have pointed out the practical difficulties in the way of accepting the amendment, I hope my hon. friend would withdraw the same."

19th December 1922]

Rao Bahadur K. GOPALAKRISHNAYYA :—"I wanted representation for mufassal interests; I do not know how that point has been met. However, I do not press the amendment."

The amendment was by leave withdrawn.

Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur :—"Sir, I beg to move the following amendment :—

4. *In paragraph (b) after the words 'Madras Trades Association' insert the words 'one by the members for the time being of the Southern India Skin and Hide Merchants' Association'.*

"Sir, when this Bill was before the Select Committee, I was asked by the above association to move for its direct representation on the Board of Industries. The hon. Minister, when he introduced this Bill last month, also referred to the important position which the Skin and Hide trade occupies in the commercial field of this presidency. He also referred to the tanning industry as one of the most important industries throughout India. In view of the importance of this industry, I think it is desirable that this association should be placed on a par with the Southern India Chamber of Commerce in the matter of representation on the Board of Industries as has been done in the case of the Madras Port Trust Act. I therefore commend this amendment for the acceptance of the House."

Mr. SAIYID MUHAMMAD PADSHA SAHIB Bahadur :—"Sir, I beg to second this amendment and I endorse every word that my hon. friend Mr. Usman uttered. It is admitted on all hands that the skin and hide industry occupies a very prominent position in the commercial field of this presidency. It is also a well-known fact that of all the articles exported from this country, skin and hide form the greatest bulk. There is also another point of view from which this industry deserves better treatment at the hands of the Government than any other industry. It seems to me that this is the one class of industry in which the Indians have specialized themselves. This is the one industrial concern which is both held and managed exclusively by the Indians. If it is the object of this Bill to give representation to genuine Indian interests, if it is the object of this Bill to improve the economic side of this country, then it is absolutely necessary that this association, whose money remains in India and does not leave this country and which is managed purely by Indians, should be given a place on the Board by direct election. The avowed object of the Bill could not be better carried out than by accepting the amendment now before the House."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—"Sir, I do not yield to my hon. friends, the mover and the seconder of this amendment, in the extent of the value that is to be attached to this association on whose behalf this motion is made. I do realize that the leather industry is one of the most important industries in this presidency and I do also realize that this association, the Madras Skin and Hide Merchants Association, is a very important body in this presidency. But, as has already been pointed out by my hon. friend, most of the seats on the Board have been earmarked. We have got two seats for the members to be elected by the Legislative Council; we have got three seats for the three recognized bodies, namely, the two Chambers of Commerce and the Madras Trades Association. That makes five. Then there are two official seats, one for the Director of Industries and

the other for the Secretary to the Government in the Finance Department. All these persons would be quite essential on the Board. The Finance Secretary is a very necessary member on the Board, for, without his help and co-operation, it would not be possible to have the sinews of war for the industrial fight which we are prepared to wage when this Bill becomes law. Altogether, we have filled seven seats and there will be left only five seats more.

"Now let us for a moment see the associations which have asked for direct representation on the Board. As has been noted in the Select Committee report, the Nattukottai Nagarathar community, representing as they do the banking interests of this presidency and paying as they do heavy taxes, want to have direct representation by election. Then, Sir, there are the rich landholders, the zamindars who have so much stake in this country. Representations were made on their behalf that provision should be made in the Bill for their representation. Then came the landholders other than zamindars and my hon. friend Mr. Vandayar also suggested in the Select Committee that the landholders as producers in this country, holding the key industry of agriculture in their hands, should be permitted to elect a representative of their own to serve on the Board of Industries. Then, Sir, there is the Piecegoods Association, the importance of which cannot be under-estimated. Then there is the oil industry to be represented. There is the spinners' guild that has to be represented, and if every industry is to be represented by direct voting and by direct election, then, I am afraid, the Board will consist of not twelve members but it will have to consist of double that number. All practical bodies must have a minimum working number of members on their Board. That is why not less than ten and not more than twelve have been fixed. However I wish to assure the mover of this amendment and the seconder that when the time for nomination comes, the claims of these important associations will be duly considered and taking all the circumstances into consideration every attempt will be made to give fair representation to all the important interests in this country.

"At times occasions might arise when a particular industry just then in the boom might claim representation. For instance, during the late war, I know the leather industry played a very important part. Occasions like those will compel any Government to put a member of an association like this on the Board. Even under other circumstances all considerations will be shown to an important body like that of the Southern India Skin and Hide Merchants' Association. With these assurances, I am sure my hon. friend will realize the difficulty of the Minister who has got to make five nominations only and withdraw his amendment."

Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur:—"I infer from the words of the hon. the Minister and trust that he will nominate a member from this association. I therefore do not press my motion."

The motion was, by leave, withdrawn.

Clause 3.

Sub-clause (2).

Rao Bahadur K. GOPALAKRISHNAYYA:—"I beg to move:

5. *That in clause* 3, *sub-clause* (2), *after the word* '*members*' *the words* '*of whom two at least shall represent mufassal interests*' *be inserted*.

19th December 1922] [Mr. K. Gopalakrishnayya]

"It will be clear from the amendment that it is a very modest one. Under the method of earmarking which has been adopted, the Board is to consist of three members respectively from the Madras Chamber of Commerce, from the South Indian Chamber of Commerce and from the Madras Trades Association, two from the Legislative Council and two officials to be appointed by Government. The want of representation of the mufassal interests on this Board is keenly felt. It is quite clear even from the report of the Select Committee. In paragraph 5 (2) they say:

We considered the question of providing for the election of representatives of certain other interests such as mufassal Chambers of Commerce, particular industries and landholders, but concluded that it is undesirable to increase the strength of the Board and that it is better to leave it to Government to nominate members to represent important interests where such interests are not already represented.

"Sir, thus it is plain that even the Select Committee felt the necessity for giving representation for mufassal interests on the Board of Industries. As such it is necessary that mufassal interests should be represented. It may be said, Sir, on behalf of the Government that provision is made for the election of two members of the Legislative Council, and that mufassal members may thus be elected. It may or may not happen. If it happens, it is well and good. But I want to say that since there is room for two more members on the Board, the Government may give those seats to mufassal members. With these few words I move the amendment that stands in my name."

Mr. M. Narayanaswami Reddi:—"I beg to second the motion."

The hon. Rai Bahadur K. Venkatareddi Nayudu:—"My hon. friend, the mover of this motion, has practically anticipated my argument. This Council, Sir, consists of at least 60 members from the mufassal—as a matter of fact there are more than 60—and naturally when power is given to this House to elect two members, it stands to reason that if not two at least one would be a mufassal member. I do admit that this need not necessarily be the case, but I think that in electing these members the same spirit which induced my hon. friend to make this motion would actuate him to support the candidature of mufassal members. My hon. friend cannot say that I am in any way unsympathetic towards mufassal members, myself being one of them.

"Then, Sir, there is the question of appointing a banker and a member to represent the cottage industries. Certainly some one will have to be nominated to represent cottage industries. Ordinarily speaking, cottage industries are more important in the mufassal than in the city if by cottage industries we understand industries in which the power-driving machinery is not utilized. Thus there is a chance of three members or at least two members, whom my hon friend wants, being on the Board whether as nominated or elected members. I just now pointed out that the seats available for nomination by Government are only five in number. Where so many interests not of the same kind but of different kinds are concerned, would it not be better to allow the Government a little free hand, leaving it to them that if mufassal members are not elected then to insist upon your Minister or the Government to see that mufassal members are represented? It is not in the least to be supposed that I am averse to this motion; but I

say that when the seats are very few and the demands are so many, would it not be more feasible to give a little more freedom to see that all these considerations are remembered and are conceded to by the Government in order to give effect to as many of them as possible, having regard to the particular circumstances? I would therefore request my hon. friend to take it from me that if no member comes through election I assure him on behalf of the Government that one member from the mufassal would be nominated; but if this is inserted in the Bill you will tie down the hands of Government and make it very inconvenient for them to choose competent persons for this Board and thus render the work of this Board less wholesome."

Rao Bahadur A. S. KRISHNA RAO PANTULU :—" Sir, I wish to say a few words in support of the amendment moved by Rao Bahadur K. Gopalakrishnayya. We have been informed by the hon. the Minister for Development that he is quite in sympathy with the object of this motion but that he finds some difficulty in making provisions in the Bill itself. As to the necessity for making this provision it is quite clear that section 5 of the Bill will not work satisfactorily unless there is adequate representation from mufassal industries. Clause 5 of the Bill states:

> The industries to which aid may be given shall be industries to be newly introduced into areas where such industries are undeveloped, or cottage industries . . .

" There is not the slightest doubt that if there is to be a proper development of mufassal industries there must be provision for the representation of mufassal interests. The hon. Member in charge has told us that if members from the mufassal do not come in by election by the Legislative Council, he will try to nominate one of them but he does not wish to make a provision for it in the Bill. May I draw the attention of the House to the fact that in subsection (2) of section 3 provision has already been incorporated in the case of banking interests? It is stated that the chairman and the remaining members shall be nominated by Government provided that if banking interests are not represented by election one of the persons so nominated shall represent such interests. I quite realize that if mufassal interests are to be represented by the Legislative Council it may not be necessary to appoint them under sub-section (2), but is the hon. the Minister prepared to make a provision, like the one in the case of banking interests, and accede to a member from the mufassal being nominated? If I make these suggestions it is because I feel that there is an apprehension in the minds of the people at large that after all in the new scheme the mufassal interests may not be adequately represented. We have all been hoping for beneficent results from the introduction of this measure. Persons have been anxious to do their best to see that the development of industries throughout the presidency and in rural areas is satisfactorily provided for. If adequate representation is not secured for rural areas it is impossible to remove those apprehensions. It is for that reason that I press this upon the attention of the hon. the Minister to give to mufassal interests one seat at least."

Rao Bahadur K. GOPALAKRISHNAYYA :—" Sir, I quite see the difficulty of the hon. the Minister. He said that the two members from among the Legislative Council members to be elected to the Board of Industries might as well represent mufassal interests. Supposing the Legislative Council elects two members who are not interested in mufassal industries, how could

19th December 1922] [Mr. K. Gopalakrishnayya]

they with any propriety be made to represent mufassal interests? Therefore, Sir, there is that difficulty. Another difficulty is that certain gentlemen in the mufassal who are not members of the Legislative Council would be better fitted to sit on the Board of Industries. If the Legislative Council were to elect members to represent mufassal interests there is no chance of such men getting in. I do not know how the hon. the Minister is going to solve this difficulty. If he gives a satisfactory explanation I have no objection to withdraw my motion."

The hon. Rai Bahadur K. VENKATAREDDI NAYUDU :—" I may mention, Sir, that the point raised by my hon. friend, Mr. Krishna Rao, and the difficulty anticipated by my friend, Mr. Gopalakrishnayya, will be met by taking up the amendment to be moved by Mr. A. Ranganatha Mudaliyar. According to that it will be noticed that after the words 'banking interests' the words 'and mufassal or cottage industries' will have to be inserted. When such interests are not represented by election, persons to be nominated shall, as far as possible, include members representing such interests. Now, I hope, the hon. mover will withdraw his amendment."

Rao Bahadur K. GOPALAKRISHNAYYA :—" I beg leave to withdraw my motion."

The motion was by leave withdrawn.

At this stage the Council adjourned to meet again the next day at 11 a.m.

L. D. SWAMIKANNU,
Secretary to the Legislative Council.

APPENDIX A.

[Vide page 969 supra.]

Proceedings of the thirteenth meeting for 1922-1923 *of the Standing Finance Committee of the Madras Legislative Council held at Fort St. George on Saturday, the* 9*th December* 1922.

PRESENT:

(1) The Hon'ble Sir CHARLES TODHUNTER, K.C.S.I. (Chairman).
(2) M.R.Ry. Rao Bahadur C. NATESA MUDALIYAR Avargal.
(3) " O. TANIKACHALA CHETTIYAR Avargal.
(4) Khan Bahadur MUHAMMAD USMAN SAHIB.
(5) Dr. P. SUBBARAYAN.
(6) M.R.Ry. Rao Bahadur T. A. RAMALINGA CHETTIYAR Avargal.
(Messrs. A. RANGANATHA MUDALIYAR, W. ALEXANDER and A. M. MACDOUGALL did not attend.)

Read proposal for a grant to the American Arcot Mission, Vellore, for establishing an Agricultural school (Rs. 37,500 to be paid in two years, Rs. 19,000 in 1923-1924 and Rs. 18,500 in 1924-1925).

After discussion with the Hon'ble the Minister, the Committee found themselves unable to recommend adoption of the scheme and classified it accordingly as class IV in the order of priority decided to be given to schemes submitted for their consideration (vide item 22).